



City of Raleigh
Privilege License Application
P.O. Box 590 Raleigh, NC 27602
(919) 890-3200

The following regulations and classifications are taken from Article B, Privilege License Tax Ordinance of the City of Raleigh, and are intended solely as a summation. For additional or complete information, see Article B, Privilege License Tax Ordinance.

INSTRUCTIONS (*Please read carefully*)

- 1) **Who Must Pay Tax** - Any person who conducts business within the city, either by maintaining a business location within the City limits or, either personally or through agents, solicits business within the city, or picks up and/or delivers goods or services within the City limits, is liable for the City's Privilege License Tax unless specifically exempted by Federal or State law or local ordinance. If a company or individual is engaged in more than one type of business activity within the city, a separate license may be required for each type of business activity. A separate license is required for each business location in the City limits. (Sec. 2-2011).
- 2) **License Tax Due Date** - The Privilege License Tax ***must be paid before a business may be located and or begin operating in the Raleigh City Limits.*** **ALL LICENSES EXPIRE ON JUNE 30.** Renewal notices are sent to licensed businesses during the first week of May. If you do not receive a renewal notice by May 31, please contact the Privilege License Office at (919) 890-3200.
- 3) **To apply for a Privilege License** - please complete all questions on the attached application. An application cannot be processed without the following information (Sec. 2-2016):
 - o Business name
 - o Business start date in Raleigh
 - o Zoning approval (if applicable)
 - o Signature of person making application
 - o Physical location of business
 - o Two different telephone numbers
 - o Description of business activity
 - o Business Contact Information
- 4) **Determine Amount of Tax Due** - Examine the Tax Schedule on the next page to determine the type codes that apply to your business activity and determine the appropriate license tax. Multiple type codes may apply to businesses that have several business activities. Please follow the instructions for each of the tax schedules. Businesses that have operated within the Raleigh City Limits without a Privilege License are subject to penalties and may be subject to back Privilege License Taxes. **PLEASE DO NOT HESITATE TO CALL THE PRIVILEGE LICENSE OFFICE AT (919) 890-3200 IF YOU NEED ASSISTANCE WITH CALCULATING THE PRIVILEGE LICENSE TAX FOR YOUR BUSINESS.**
- 5) **Payment** - Once completed, please mail your application and appropriate payment to the City of Raleigh Privilege License Tax Section at the above address. Please make your check or money order payable to the "City of Raleigh." **DO NOT SEND CASH.**
- 6) **Display of License** - Your license will be processed and mailed to you. Upon receipt, please post the black copy and file the green copy for your records (Sec. 2-2023).

Other General Information

- A) **No abatement of tax** - If a licensee discontinues a business before the end of the period for which the license was issued, the license tax shall not be abated nor shall a refund of any part of the license tax be made (Sec. 2-2026).
- B) **Collection of unpaid tax** - Any person who begins or continues to engage in a business taxed under this article without payment of such tax is liable for an additional tax of two and one half percent (2 1/2%) of the original tax due for each month or portion thereof that the tax is delinquent, provided the additional tax will be limited to 25% of the tax originally levied. Minimum penalty is \$5.00 (Sec. 2-2030).
- C) **Change in place of business** - In order for your business to receive renewal notices and other correspondence in a timely manner, **PLEASE NOTIFY THE PRIVILEGE LICENSE OFFICE IF THE LOCATION OF YOUR BUSINESS, OR YOUR BUSINESS MAILING ADDRESS CHANGES.** Upon proper notification, an updated license will be mailed. Home based businesses must get zoning approval before license modification can be processed.
- D) **Regulatory Licenses** - The following types of businesses are regulated by the City and must obtain special approval before beginning operation. Some require City Council approval and completion of a separate application. If you intend to operate any of these types of businesses, please contact the City Privilege License Tax Section at (919) 890-3200 for direct instruction on how to make the proper application (Sec. 2-2016, 2-2102, 2-2134, 2-2136, 2-2156 and Article 24, Commerce and Business GS66-165)
 - o Carnivals
 - o Circuses
 - o Clubs (private/public)
 - o Clubs with amplified entertainment
 - o Establishments with amplified entertainment
 - o Massage Businesses
 - o Massagists
 - o Pawnbrokers
 - o Precious Metals Dealers
 - o Rooming Businesses
- E) **Wake County Property Tax Listing** - The completion of a listing is required of all individuals, partnerships, corporations and associations who on January 1 own, control or possess any amount of leasehold improvements or personal property (tangible or intangible) used or held for a business purpose. The question of exempt status does not excuse any of the foregoing from this requirement. For more information, please contact the Wake County Revenue Department at (919) 856-5400.
- F) **Disclaimer** - The issuance of a privilege license does not constitute acceptance or approval of the use of the above named location as having complied with existing building codes, fire prevention code, zoning code, city ordinance, or state law. A licensee shall remain fully liable and responsible for bringing the premises in conformity with all applicable City and State Codes.

Please Keep This Sheet for Future Reference.

Privilege License Taxes must be paid before beginning operation of all types of businesses located within the City limits of Raleigh, except for those businesses that have been exempted by Federal, State or local authority. Those businesses located outside the city that are doing business within the City limits are also required to obtain a Privilege License.

Note: Some businesses with various types of activities may be required to pay a tax under more than one section of this Privilege License Tax Schedule.

Code	Nature of Business	<u>Service Establishment:</u> (Service Establishments include, but are not limited to the following types of business activities.)				
KY	Retail Merchant	Advertising Agencies	Courier Service	Modeling Agency	Public Relations Firm	Software Development
KZ	Wholesale Merchant	Catering	Delivery Service	Mortgage Company	Rental Agency	Stock Broker
KW	Manufacturer, Processor, Producer	Child Care Service	Equipment Rental	Painting	Repair Service (non-automotive)	Storage Service
LO	Service Establishment	Cleaning Service	Landscaping	Parking Lot	Security Guard Service	Temp. Employment
		Consulting Service	Mail Order Service	Printing Service	Sign Installation	Vehicle Leasing/Rental

Accountants	Auctioneers	Computer Hardware	Flea Market Vendors	Office Equipment Retail	Photographers	Savings & Loan Assoc.
Alarm Dealers	Banks	Retail & Rental	Healers	Office Equipment Rental	Physicians	Surgeons
Alarm Monitoring	Bondsmen	Dentists	Insurance Companies	Office Rental	Private Detectives	Telephone Companies
Appliance Retail	Breweries	Distributing Motor	Land Surveyors	Opticians	Railway Companies	Trucking Companies
Appliance Rental	Bus Companies	Fuel at Wholesale	Landscape Architects	Optometrists	Real Estate Agents	Veterinarians
Architects	Chiropodists	Embalmers	Morticians	Osteopaths	Real Estate Appraisers	Wineries
Attorneys	Chiropractors	Engineers	Oculists	Pest Control Applicators	Residential Rental	

Account# _____
License# _____

Application for Privilege License Tax
City of Raleigh
Privilege License Tax Section
P.O. Box 590, Raleigh North Carolina 27602
(919) 890-3200

For Office Use Only
Zoning Approval

Date of Application: ____/____/____

License Tax Year Beginning July 1, ____

☐ New Application ☐ Renewal ☐ Ownership Change ☐ Name Change ☐ Address Change (Current licensees should indicate their license number.)

1. _____/_____/_____
Physical Address of Business Location. Please include any Suite or Apt #'s. Do not use a P.O. Box # _____ City _____ State _____ Zip Code _____

2. _____
Business Name (Indicate your Trade Name or D/B/A name.)

3. _____ Taxpayer ID # or Social Security #: _____
Corporate Name (Sole proprietorships should indicate the owner's name.)

4. State Contractor or Professional License Held: _____ License Number: _____

5. _____/_____/_____
Business Mailing Address if different from above (*all correspondence will be sent to this address*) _____ City _____ State _____ Zip Code _____

6. (_____) - _____ (_____) - _____ (_____) - _____
Business Location Telephone Number Secondary Telephone Number (2 numbers required) Fax Number

7. Is Your Business Located in the Raleigh City Limits? ☐ No ☐ Yes

8. Is the Business Home Based? ☐ No ☐ Yes

Each business must have a principal location. A business is considered to be Home Based if the principal location of the business is a residence. This includes businesses of a mobile nature such as construction companies, mobile car repair, power washing, repair services, etc.

If the answer to both questions 7 & 8 is yes, our policies require that you obtain a Home Occupation Use Permit or a Limited Home Business Permit from the Zoning Division of the Inspections Department.

If you are applying by mail please include your completed Home Occupation Use Permit Application with your Privilege License Application.

9. Completely describe your business. Include all activities. Attach additional sheets if necessary: _____

10. Date Business Began in Raleigh or will Begin in Raleigh: ____/____/____ Number of Employees: _____

11. Type of Business Ownership: ☐ Corporation (including LLC's and S Corps) ☐ Sole Proprietor ☐ Partnership ☐ Other _____

12. **Applicant Information: This person will be the primary contact for the business. Sole Proprietorships should indicate the owner here.**

_____/_____/_____
Last Name First Name M.I.
_____/_____/_____
Home Address City State Zip Code
(_____) - _____
Home Telephone Number Relationship to Business: _____

13. **Emergency Contact Information (Used by 911 Communications)**

_____/_____/_____
Last Name First Name M.I.
(_____) - _____
Home Telephone Number Relationship to Business: _____

14. Does your business sell intoxicating beverages? ☐ No ☐ Yes (If yes, you must also complete a City of Raleigh Malt Beverage/Wine Premises License Application.)

15. Does your business have other locations in Raleigh? ☐ No ☐ Yes (If yes, list the locations in the space below. Use an additional sheet if needed.)

16. Does your business ☐ Own or ☐ Rent the location listed above? From whom do you rent? _____

Privilege License Tax from Schedule "A" of License Tax Schedule

New Businesses: Estimate gross receipts from your start date until June 30, and apply the estimated amount to the tables on the back of the instruction sheet. **Exclude any income from business activities taxed under Schedule "B".**

Renewals: List the exact gross receipts as reported on your most recently completed tax return and apply the amount to the tables on the back of the instruction sheet. **Exclude any income from business activities taxed under Schedule "B".**
The license year runs from July 1 until June 30.

Tax Code/Business Activities	Gross Sales/Receipts	License Tax
(KY) Retail Merchant	\$ _____	\$ _____
(KZ) Wholesale Merchant		
(KW) Manufacturer		
(LO) Service Establishment		

The figures reported above are for the period from ____/____/____ to ____/____/____.

Privilege License Tax from Schedule "B" of License Tax Schedule

List the business activities and tax amounts that apply to your business from Schedule B located on the back of the instruction sheet.

Tax Code/ Business Activities	Rooms/Seats/Operators/Etc. (if applicable)	License Tax
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____

Calculating Past Due Taxes and Penalties

Who Must Pay Penalties:

Businesses that have operated without paying the privilege license tax are subject to late penalties of 2.5% of the original tax due for each 30 days or portion thereof that the tax is delinquent, with a maximum penalty of 25%. **The minimum penalty is \$5.00.**

Back taxes and penalties are due for each license year (July 1 – June 30) that a business has been in operation without obtaining a license. Use the table below to calculate past due taxes and penalties.

Example: If a business began operating on September 1 and waited until April 15 to apply for a license, the penalty would be calculated as follows:

8 Months delinquent (2.5% for each 30 days or portion thereof.)	8
Penalty Percentage	x 2.5
	20%
Original Tax Due	x \$200
Late Penalty	\$40.00
Total Tax and Penalty Due	\$240.00

All Privilege License Taxes, Including Back Taxes and Penalties Must be Paid Before a License Can be Issued.

PAST DUE TAX AND PENALTY

License Year	Gross Receipts	Schedule "A" Taxes	Schedule "B" Taxes	Total Tax	Penalty %	Penalty Amount
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____

Total Past Due Tax: _____ **Total Past Due Penalty:** _____

TOTAL TAXES & PENALTIES

Add Schedules A and B \$ _____

(ZZ) Penalty _____% \$ _____
(Min. Penalty \$5.00)

(PT) Past Due Tax \$ _____

(PZ) Past Due Penalty \$ _____

Total License Tax & Penalty \$ _____

Returned Check Fee – Maximum Allowed Under State Law

Please read the following statement and sign in the appropriate space below.

I affirm, under penalties prescribed by law, that I have examined this application and statement; and that to the best of my knowledge and belief, it is true, complete and made in good faith for the taxable period stated pursuant to the City of Raleigh License Tax Ordinance. I understand that the issuance of a privilege license does not constitute acceptance or approval of the use of the above named location as having complied with existing building codes, fire prevention code, zoning code, city ordinance, or state law. A licensee shall remain fully liable and responsible for bringing the premises in conformity with all applicable City and State Codes. Additionally, a licensee shall be responsible for notifying the City of Raleigh of any change in location and/or mailing address. It is the responsibility of the licensee to renew the Privilege License prior to July 1.

Signature of Person Making Application _____ Relationship to Business _____
Print Name of Person Making Application _____
Address of Person Making Application _____

CITY OF RALEIGH | ZONING INSPECTIONS
PO BOX 590 | RALEIGH, NC 27602

HOME OCCUPATION USE PERMIT

The business activity proposed at the following address must take place within the livable portion of the dwelling and must comply with all Zoning Regulations of the City of Raleigh. Permits will be issued or denied based on answers to the following questions. Please print clearly, read each line carefully and answer accurately. **Include the \$65.00 permit fee with your application.**

APPLICANT: _____ BUSINESS NAME: _____

ADDRESS: _____ ZIP: _____ PHONE #: _____

TYPE OF BUSINESS: _____

Describe business activity that will take place on the premises: _____

Will any business activity be conducted from the yard area (front or rear), or will anything in connection with the business be stored in a detached accessory building: ☐ Yes ☐ No Explanation: _____

Describe any alterations to the dwelling or special equipment needed: _____

Number of residents in the home: _____ Number of residents who will be involved in the business: _____

Number of employees/partners residing elsewhere: _____

Will customers or groups of people come to your home to obtain your services/products: ☐ Yes ☐ No

If yes, how many: _____

Make: _____ Model: _____ Type: _____ of vehicle used in connection with the business:

Size of dwelling/home: _____ sq. ft. Area used in home for business: _____ sq. ft.

Do you intend to use a sign on your vehicle: ☐ Yes ☐ No On the premise: ☐ Yes ☐ No

I have answered the above questions to the best of my knowledge, and the proposed Home Occupation will be incidental to the use of my home.

Signature: _____ Date: _____

OFFICE USE ONLY

☐ Approved ☐ Denied

ZONING: _____

Reviewed by: _____

Conditions: _____

Validation:

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